

CED Q&A from the Outreach Conference Call of May 16th

Questions	Answers
SITE CONTROL	
<p>QUESTION: If the applicant is proposing the creation of a revolving loan fund for small-to-medium enterprises and micro enterprises, does the requirement to document site control still apply? Site control is not typically an issue with these kinds of CED projects.</p>	<p>ANSWER: Yes, all applicants must document that they have control of the site where work will be performed. If the support for the micro-enterprise or the incubator is being provided by the grantee's offices, then we want to see that grantee's supporting documentation for site control.</p>
<p>QUESTION: Is an option to purchase land, instead of owning the land, enough to receive all of the points for site control?</p>	<p>ANSWER: The organization does not need to own the land prior to getting an award. Points, as assigned by panel reviewers, will be based on the information provided in the application, which assures OCS, that if this applicant receives an award, the project would immediately move forward.</p> <p>The document submitted to meet this requirement could include a caveat that the organization's site control is contingent on receipt of a CED grant award. (Refer: Program Announcement, Section V, Evaluation Criteria, Site Control, page 35, PDF version)</p>
<p>QUESTION: Under component 3 – Site Control. It was stated that CDC's must have control over the location; it is necessary to submit with the application a lease agreement or property deed. Does this mean the CDC has to own the property? Or, is it sufficient to document the beneficiary has control of the property when the CDC is working with a third party?</p>	<p>ANSWER: Yes, the applicant must show evidence of site control Site Control. It was stated that CDCs demonstrated by properly executed agreements signed by all</p>

BUSINESS PLAN	
<p>QUESTION: In reference to the Business Plan requirement: On page applicable parties. If the site control is through a third party, then the applicant must show the commitment of the third party and show evidence that the party has site control. (Refer: Program Announcement, Section V, Evaluation Criteria, Site Control, page 35, PDF version)</p>	<p>ANSWER: Yes, at the start of the Business Plan Section, it may be confusing because the section starts with the statement: "When 26 of the grant announcement (PDF), Federal grant funds will be used to make an equity investment, it states that a "business plan must be submitted when federal grant provide a business plan." However, if you read to the end of that section, you will read: "All applications must have a business funds will be used to make an equity plan." (Refer: Program Announcement, Section V-1, Criteria, investment." Based on the definition of equity investment given on page 4 of the grant announcement, an equity investment is the provision of capital to a business entity for some specified purpose in return for a portion of ownership using third-Business Plan, page 26, PDF version) party agreement as the contractual instrument.</p>
<p>QUESTION: If an applicant submitted an application for a construction project and has site control, does the applicant have to complete a business plan based on the business plan requirement (which is on page 26 and states "When Federal grant funds will be used to make an equity investment, provide a business plan")?</p>	<p>ANSWER: All applications must have a business plan. (Refer: Program Announcement, Section V-1, Criteria, Business Plan, page 26, PDF version)</p>
<p>Question: Program announcement HHS-2008-ACF-OCS-EE-0024 under Executive Summary (first page), first paragraph, last sentence is quoted as follows: "Eligible CDCs must submit a business plan that demonstrates the economic viability of the venture." Must an applicant submit a separate business plan in addition to Part II, General Instructions for preparing a full project description?</p>	<p>Answer: Any applicant proposing to create a business that will create jobs and is seeking full credit from reviewers of the proposal should include a business plan for that aspect of the project. One of the purposes of the business plan is for organizations to describe how OCS funding will be used to impact the businesses that are not directly supported by other resources. By addressing each of the business plan elements, organizations also facilitate reviewers to come to a full understanding of their proposal, consequently improving their application. Please note that applicants also need to address Third-party Agreement requirements, in which all partnership agreements must be signed by authorized representatives of each business for which the applicant wants credit in their proposal to creating jobs for low-income individuals.</p>

SUBMISSION REQUIREMENTS	
QUESTION: If the applicant submits an application via grants.gov, how would OCS like to receive attachments such as letters of support, commitment of non-federal match, etc.? For example, should the originals be scanned and saved as PDFs or should the originals be mailed?	ANSWER: Originals should be scanned, saved as PDF's and submitted electronically.
QUESTION: Should hard copy submissions be placed in a 3-ring submitted electronically.	ANSWER: No, hard copy applications should not be bound in any format, except held together by rubber bands, clipped with a binder clip, or placed in a folder, attached at the top with two-hole punched slide. Once an application is received, it is reproduced to provide copies for the panel's review.
QUESTION: May we use the forms on grants.gov (SF forms, etc.) for the hard copy submissions? The forms on the OCS Web site are slightly different in format than the ones in grants.gov.	ANSWER: Yes, you may use the forms on grants.gov.
QUESTION: Where else can we find forms not currently available (SF424 clip, or placed in a folder, attached at the top with two-hole punched slide. Once an application is received, it is reproduced to provide copies for the panel's review.	ANSWER: As stated in the program announcement section IV, Forms, Assurances and Certifications, ". . . Applicants seeking financial assistance under this announcement must file the appropriate Standard Forms (SFs) as described in this section. . . ." Applicable forms, particularly those organizations that must submit such as SF424 c & d for construction projects can be found at the ACF website: http://www.acf.hhs.gov/grants/grants_resources.html/ . These forms can be saved and later submitted electronically via the Grants.gov website as part of their application.

APPLICANT ELIGIBILITY	
<p>QUESTION: Does an applicant need a business plan for jobs being created via business that are not being directly supported with OCS funding?</p>	<p>ANSWER: Any applicant proposing to create a business that will create jobs and is seeking full credit from reviewers of the proposal should include a business plan for that aspect of the project. One of the purposes of the business plan is for organizations to describe how OCS funding will be used to impact the businesses that are not directly supported by other resources. By addressing each of the business plan elements, organizations also facilitate reviewers to come to a full understanding of their proposal, consequently improving their application. Please note that applicants also need to address Third Party Agreement requirements, in which all partnership agreements must be signed by authorized representatives of each business for which the applicant wants credit in their proposal to creating jobs for low-income individuals.</p>
<p>QUESTION: In order to operate the CDC funding is it necessary to create a separate CDC fund from my agency? Is it necessary to create a separate CDC board from the current 15 member tri-part board that my agency currently is governed by?</p>	<p>ANSWER: No, it is not necessary for an organization to create a separate organization. If the parent organization meets both the principle purpose rule and the governing board structure rule, it is an eligible applicant. CDC Eligibility Rule: Eligible applicants must have as their principle purpose planning, developing, or managing low-income housing or community development activities and must demonstrate that it is governed by a Board of Directors consisting of residents of the community and business and civic leaders (Refer: Program Announcement, Section III, 1. Eligible Applicants, page 8, PDF version)</p>

PROJECT TYPES	
<p>QUESTION: The PowerPoint presentation identifies four types of projects that require a business plan. Item 3, "Supermarkets and commercial developments," might not include a project that is building a building that will create jobs for low-income persons and be used as a homeless shelter for families and addresses the departmental goal of promoting healthy families in addition to job creation but is certainly eligible for CED funding.</p>	<p>ANSWER: It should be noted that all programs require a business plan. The types of projects described on the April 20th conference calls were examples of past projects. Any project is acceptable, if it meets the needs of a distressed community, creates new jobs for low-income individuals, and can be sustained once the grant has ended. A homeless shelter must describe how it addresses the needs of the community, how it created jobs, and how it will be sustainable after the grant ends. (Refer: Program Announcement Section V1, Evaluation Criteria, Evaluation, pages 32-39, PDF version.)</p>
<p>QUESTION: May the CDC funds be utilized to create a business of building and rehabilitating affordable housing within the seven counties that my agency currently serves? The training portion of the program would consist of teaching low-income OCS individuals skills for carpentry, as well as construction, skills to build homes.</p>	<p>ANSWER: The application will be evaluated on the extent to which the application documents that the project addresses a vital need in a distressed community. The applicant determines if the type of business(s) created address that need. (Refer: Program Announcement, Section IV, Part II, Evaluation Criteria, Objective and Need for Assistance, page 33, PDF version) OCS will not fund projects that are primarily education, training, and placement projects. In projects where participants must be trained, any funds proposed for training must be limited to specific job-related training for those individuals who have been selected for employment in the grant-supported project. Projects primarily involving training and placement for existing vacant positions will not be funded. (Refer: Program announcement Section IV, 5. Funding Restrictions, page 21, PDF version)</p>

EVALUATION	
<p>QUESTION: Regarding the Evaluation component of the application (Section 9): If an organization is applying for a start-up CDC project where the necessary facets are in place to begin the project, do you want the applicant to send you the process in which we would evaluate the program or would it be more pertinent to send an evaluation of a program that is similar to what we are proposing based on the agency's experience?</p>	<p>ANSWER: The evaluation should be of the proposed project. (Refer: Program Announcement, Section V-II, additional Information, Business Plan, page 26, PDF version)</p>
<p>QUESTION: Are travel costs for the independent evaluator covered by the grant?</p>	<p>ANSWER: Yes, travel costs for the evaluator should be included as part of the application. It should be reflected under other and not under the travel line item. Travel for staff is reflected under the travel line item. (Refer: Program Announcement, Section V. Application Review Information, 1, Criteria, Part II, Budget and Budget Justification, page 28 , PDF version)</p>
<p>QUESTION: Will we need an independent evaluator on this grant?</p>	<p>ANSWER: Yes, a third party evaluator needs to be organizationally distinct from and not under the control of the applicant. Evaluator qualifications include successful experience in evaluating social service delivery programs. (Refer: Program Announcement Section V1, Evaluation Criteria, Evaluation, p.39 PDF version)</p>
<p>QUESTION: The announcement for funding opportunity number HHS-2007-OCS-EE-0024 and PowerPoint presentation made no mention of a Third-Party Evaluator. Question: Are applicants required to obtain the services of a Third-Party Evaluator?</p>	<p>ANSWER: Yes, a third party evaluator needs to be organizationally distinct from and not under the control of the applicant. Evaluator qualifications include successful experience in evaluating social service delivery programs. (Refer: Program Announcement Section V1, Evaluation Criteria, Evaluation, p.39 PDF version)</p>

THIRD PARTY AGREEMENTS	
<p>QUESTION: On the conference call April 20, it was stated that CDC's addressing micro-enterprise programming should include a draft Third Party Agreement to be signed by each small business owner stating the intent to fill jobs created with low-income persons. My question is about the signed statement from a Certified or Licensed Public Accountant that certifies the capability of the third party's financial management system and the financial statements for the prior 3 years. Does this apply to micro-enterprise owners? Often we are working with start-up firms.</p>	<p>ANSWER: If it is not possible to obtain a signed statement from a Certified or Licensed Public Accountant that certifies the capability of the third party's financial management system and the financial statements for the prior 3 years, then the applicant should describe a model for how they will certify the capacity of the start-up firms. (Refer: Program Announcement Section V1, Evaluation Criteria, Third Party Agreements, p.36 PDF version)</p>
OTHER FUNDING	
<p>QUESTION: One evaluation section is called "Non-Federal Funding" while the text and the Introduction refer to "Non-CED Funding." Is it either or?</p>	<p>ANSWER: For the purposes of this application, Non-Federal Resources refers to all non-CED support for the project, cash and in-kind. (Refer: Program Announcement Section V1, Evaluation</p>

AUDITS	
<p>QUESTION: Most CPAs perform audits of non-profits according to OMB Circular A-133. When submitting the application to OCS the CDC certifies that they will comply with all applicable federal regulations in the Assurances section. A-122 and 45CFR74 are principles of costs allowed. Is it enough to have the CDC state that they will comply with these cost principles in the performance of the grant?</p>	<p>ANSWER: No. The applicant must certify that it will comply with all relevant cost principles. (Refer: Program Announcement Section V1, Evaluation Criteria, Evaluation, page 37, PDF version)</p>
ELIGIBILITY	
<p>QUESTION: Is the amount of the award ceiling \$700,000.00 for each year or is the total award amount no more than \$700,000.00?</p>	<p>ANSWER: The award ceiling is \$700,000 for each Project Period. The Project Period for construction projects may be up to 60 months, and for non-construction projects up to 36 months. (Refer: Program Announcement Section II, Award Information, page 7-8 PDF version)</p>
<p>QUESTION: Could you define creation of new jobs? For instance, if an agency is able to partner with employers to place X number of clients in full-time jobs, would this be acceptable or are we looking at a new company to employ new staff?</p>	<p>ANSWER: Job placement is not the purpose of this program. Placing individuals in existing vacant jobs of businesses not related to a NEW development or expansion of activity, is not an objective of this program. The legislated purpose of CED is to create employment and business development opportunities. The jobs must be new jobs in the community that had not existed prior to the start of this project. (Refer: Program Announcement Section I, Definitions of Terms, page5 PDF version)</p>
<p>QUESTION: What do you mean by full-time employment?</p>	<p>ANSWER: The intent of the Community Economic Development program is to assist in the creation of new jobs for TANF recipients and other low-income individuals. The authorizing legislation for this program, the Community Opportunities, Accountability, and Training and Educational Services Act of 1998 (Section 672(2) (b) encourages activities that create a "measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals to achieve self-sufficiency." Therefore, the design of the proposed full time jobs should assist the low-income individuals in moving toward achieving self-sufficiency goals.</p>

QUESTION: Target Population: Current or previous TANF Recipients?	ANSWER: The requirement is to provide jobs for low-income people. Possible target populations are not limited to those described in the program announcement. (Refer: Program Announcement Section V1, Evaluation Criteria, Staff and Position Data, p.34 PDF version)
LOW-INCOME DEFINITION	
QUESTION: Define low-income.	ANSWER: Low-income for this project is determined by the most recent poverty guidelines see http://aspe.hhs.gov/poverty/07poverty.shtml/ . (Refer: Program Announcement, Section I, Definitions, Beneficiary, page 3 PDF version)
TIMELINE	
QUESTION: Timeline: What is meant by start as soon as awarded?	ANSWER: The applicant is expected to begin work as soon as the award is received. We anticipate that awards will be issued with start dates no later than September 30th.
QUESTION: Budget: Is there a specific amount that must be allotted for an independent evaluator?	ANSWER: No; however, all costs proposed for this project must be reasonable within market place for similar services in that community and within the applicant's financial procedures.
QUESTION: Project: can 50% of the funds be used to expand the existing businesses and 50% used for loans for new start-up businesses?	ANSWER: There is no percentage split for the use of the grant funds. The design of the project determines how the funding is distributed. Each applicant will be evaluated on its rationale and its project approach.
QUESTION: Our organization is not requesting OCS funds to pay salaries or benefits of staff committed to the project. Our accounting rules prohibit us from assigning dollar values the personnel who will work on the CED project. How should we address this issue in the budget narrative?	ANSWER: The applicant would state that it will provide the administration and will be fully accountable for all funds received under this grant award. (Refer: Program Announcement Section V-1, Criteria, Budget and Budget Justification Data, p.29 PDF version). However, the applicant should also provide a description of the key staff roles in the application narrative. (Refer: Program Announcement Section V1, Evaluation Criteria, Staff and Position Data, p.38 PDF version).
Question: I understand that incubator development is an allowable project under the CED program. But what if the users/tenants of the incubator are self-employed or micro enterprises? There are two statements in the funding announcement that state that the creation of micro enterprise businesses will not be considered. Would the construction of an incubator that is to be used by micro enterprise businesses be an eligible or ineligible project under the FY 2008 CED program?	Answer: The CED grant application review will prioritize incubator projects. You can apply for a micro enterprise project, although the competition is quite competitive, with funding approved for 41-45 projects, among an anticipated 200 applications. So, be very specific regarding the type of project proposed.

<p>QUESTION: Market Research: Should this be specific to the small business itself or can it simply be research that supports the state and need of small businesses in the community?</p>	<p>ANSWER: Market research must assure that the business has a substantial market. (Refer: Program Announcement V1, Evaluation Criteria, Business Plan, p.33 PDF version.)</p>
<p>QUESTION: I am wondering if OCS has a priority list that I can use to refer to certain priorities within this grant. I know ARC has a priority list that you can use to refer to so I was wondering if OCS does?</p>	<p>ANSWER:</p> <p>1- We mentioned in this year’s CED program announcement that <i>OCS will give priority</i> to projects that propose job creation in high-growth industries within 14 specific sectors (please read bellow).</p> <p>2- Potential applicants should also consider that we have included statements on what we are looking for within each program announcement, and <i>even some that will garner additional bonus points during the application review process.</i></p> <p>We start by emphasizing the basics for our programs:</p> <p>1- Job creation <i>for</i> 2- low-income individuals <i>in</i> 3- economically distressed areas.</p> <p>Then try to encourage <i>particular</i> types of <i>projects that benefit</i>: the unemployed; public assistance recipients, including recipients of Temporary Assistance for Needy Families (TANF); at-risk youth; custodial and non-custodial parents; residents of public housing; persons with disabilities; persons who are homeless; or individuals transitioning from incarceration back into the community.</p> <p>Of course all these taken in the context of <i>our ultimate goal: helping people become economically self-sufficient</i> (not having to rely in public assistance).</p> <p>This year, the CED program announcement stressed areas of priority (preference) [<i>1-Funding Opportunity Description-Project Narrative section</i>]:</p> <p>“Consistent with the goals of the DOL's High Growth Jobs Training Initiative, applicants should consider <u>industries that have the greatest potential to yield jobs with career development</u> opportunity for low-income persons. DOL has identified <i>14 sectors</i> that fit within the following criteria: (1) they are projected to add substantial numbers of new jobs to the economy or affect the growth of other industries; or (2) they are existing or emerging businesses being transformed by technology and innovation requiring new skill sets for workers. Furthermore,</p>

applicants are encouraged to consider partnering with grantees of the DOL's Employment Training Administration (ETA). For more information on the DOL's High Growth Jobs Training Initiative and the other programs of the ETA, please visit <http://www.doleta.gov/BRG/JobTrainInitiative/>."

We have even included the following "preferential" statements (giving bonus points!) in the CED [*Budget and Budget Justification*] criteria section:

Bonus Points - 10 points

Bonus Points - Consistent with the goals of the DOL's High Growth Jobs Training Initiative, additional *bonus points will be added to applications that propose jobs in industries that have the greatest potential to yield jobs with career development opportunity for low-income persons.*

- “ High growth industries provide financing for businesses located in low-income communities that provide innovation in sectors with potential for growth in the community. ***OCS will give priority to the following sectors:*** Advanced Manufacturing, Aerospace, Automotive, Biotechnology, Construction, Energy, Financial Services, Geospatial, Homeland Security, Information Technology, Healthcare, Hospitality, Retail and Transportation. - 5 points

- “ *Bonus points will be added to projects from these specific underserved States:* Iowa, Nebraska, Nevada, North Dakota, Utah and Wyoming - 5 Points